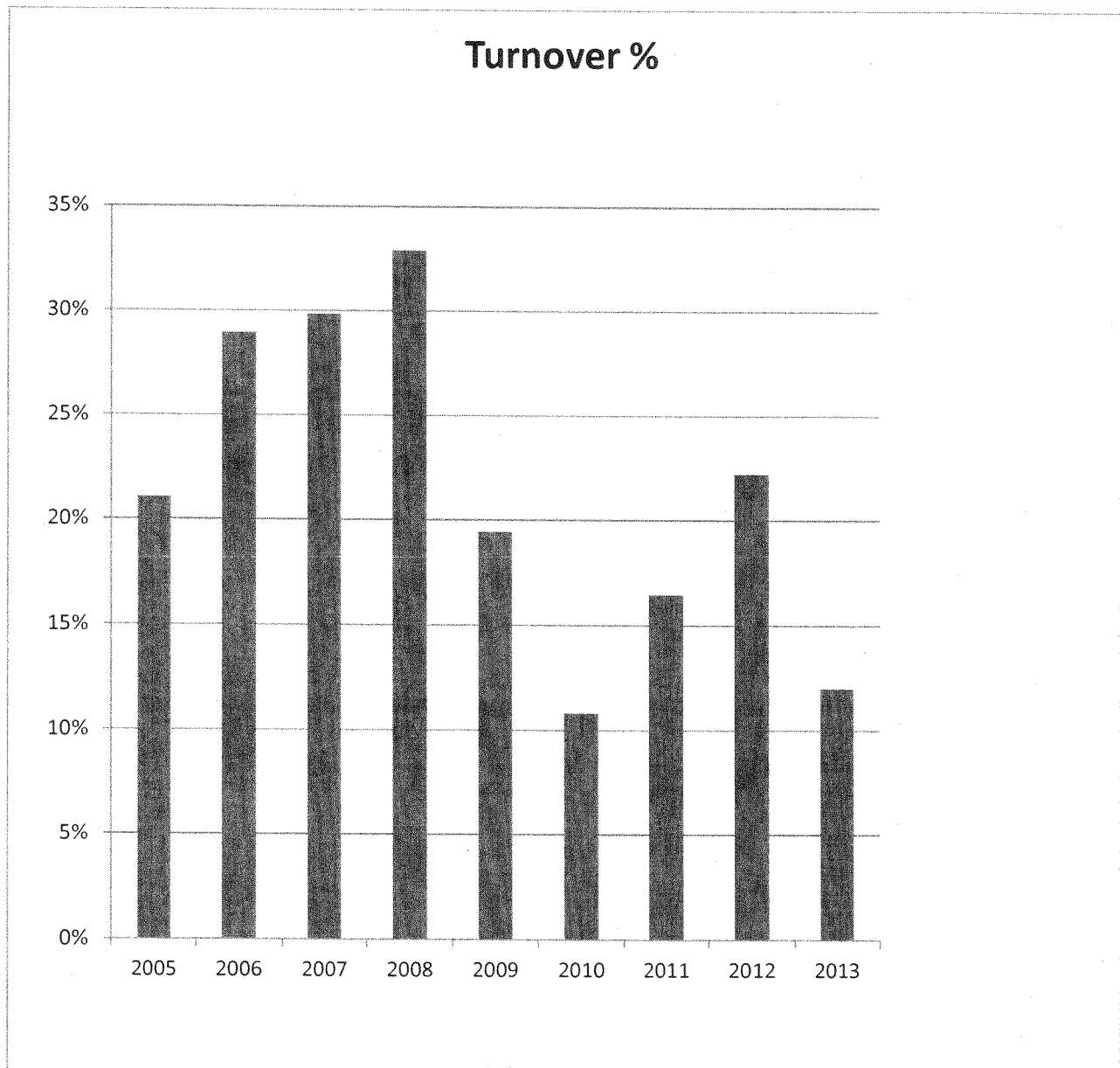


Commissioner of Securities & Insurance, Office of the State Auditor

Turnover Rates:

Note: Data includes pay plan 60 and pay plan 20. FY13 data is through 1/25/13.



CSI Broadband Pay Analysis:

- 20% of CSI's employees received performance pay increases.
 - 4% are in pay plan 60 and 16% are in pay plan 20.
- 11% of CSI's employees received pay increases due to reclassification.

Below shows the percent of the 2012 market midpoint these positions are at as of today.

Position	Reason	% M
34100090	Performance Pay	75%
34100404	Performance Pay	75%
34100307	Performance Pay	76%
34100402	Performance Pay	80%
34100321	Performance Pay	83%
34100016	Performance Pay	87%
34100048	Performance Pay	87%
34100309	Performance Pay	93%
34100323	Performance Pay	98%
34100317	Performance Pay	99%
34100034	Performance Pay	100%
34100054	Performance Pay	100%
34100063	Performance Pay	101%
34100205	Performance Pay	137%
34100049	Performance Pay & Reclassified	90%
34100006	Performance Pay & Reclassified	100%
34100060	Performance Pay & Reclassified	108%
34100044	Reclassified	73%
34100204	Reclassified	74%
34100053	Reclassified	80%
34100057	Reclassified	86%
34100091	Reclassified	88%
34100318	Reclassified	100%
34100322	Reclassified	102%

Based on data of the Census and Economic Information Center of the Montana Department of commerce, there are approximately 4,874 small businesses with 10 to 25 employees in Montana. These small businesses employ an average of 17.5 employees. According to a 2004 report of the Bureau of Business and Economic Research of the University of Montana, 29% of businesses with 10 to 19 employees do not provide group health coverage to their employees. Based on this information it is assumed that 1,413 businesses would be eligible for the Purchasing Pool program and 3,461 businesses would be eligible for the Tax Credit program.

The average tax credit paid at 100% calculation for these businesses is estimated to be \$29,000; therefore the Tax Credit program total cost would be approximately \$100,369,000.

The average business incentive for these businesses is estimated to be \$19,000; therefore the total business incentive cost would be approximately \$26,847,000. The average employee assistance payment for these employees is anticipated to remain the same as employees currently on the program at \$1,584, so the employee assistance cost would be approximately \$39,168,360. The total cost for the Purchasing Pool program would be approximately \$66,015,360.

The total annual cost of both programs would be approximately \$166,384,360, so the biennium cost would be \$332,768,720.